



HERBERT  
SMITH  
FREEHILLS

## **EASYJET PLC**

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### **RULES**

of the

### **EASYJET**

### **RESTRICTED SHARE PLAN**

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Adopted by the Board on 13 December 2021

Approved by Shareholders on [●]

Herbert Smith Freehills LLP

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## RULES OF THE EASYJET RESTRICTED SHARE PLAN

### 1. INTERPRETATION AND CONSTRUCTION

- 1.1 For the purposes of the Plan, the following terms shall have the meaning indicated below unless the context clearly indicates otherwise:

**"Award"** means one of a Conditional Award or an Option;

**"Award Date"** means the date on which a Conditional Award or Option is granted;

**"Board"** means the board of directors of the Company or a committee duly authorised by the board of directors or, following any Corporate Action, the Board or duly authorised committee as constituted immediately prior to the Corporate Action;

**"Claw-back"** means a recovery of value by the Company from a Participant in accordance with the provisions of Rule 14 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*);

**"Company"** means easyJet plc (registered in England and Wales under No. 3959649);

**"Conditional Award"** means a right to receive a transfer of Shares following vesting of the Award;

**"Control"** has the meaning given by Section 995 of the Income Tax Act 2007;

**"Corporate Action"** means any of the events referred to in:

(A) Rules 8.1 to 8.4 (but excluding a Reorganisation as defined in Rule 8.7); or

(B) if the Board determines that Awards will vest pursuant to such Rule, Rule 8.5;

**"Dealing Day"** means any day on which the London Stock Exchange is open for trading;

**"Dealing Restriction"** means any restriction on the dealing in shares, whether direct or indirect, pursuant to any law, regulation, code or enactment in England and Wales and/or the jurisdiction in which the Participant is resident, or any share dealing code of the Company (but shall not include any restriction imposed by Rule 6.5 (*Retention Period*));

**"Eligible Employee"** means an employee (including an executive director) of any Group Company;

**"Employees' Share Scheme"** has the meaning given by Section 1166 of the Companies Act 2006;

**"Financial Year"** means the financial year of the Company within the meaning of Section 390 of the Companies Act 2006;

**"Group"** means the Company and any company which from time to time is a subsidiary of the Company, within the meaning of section 1159 of the Companies Act 2006 (each a "Group Company");

**"Market Value"** means, in relation to a Share on any day:

(A) if and so long as the Shares are admitted to listing by the UK Listing Authority and traded on the London Stock Exchange, the mid-closing price of a Share on the immediately preceding Dealing Day; or

(B) subject to (A) above, its market value, determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992;

**"Normal Vesting Date"** means the third anniversary of the Award Date or such other date as may be determined by the Board prior to the Award Date; provided that, in respect of an award granted to an executive director of the Company (other than in connection with the recruitment of that person or in respect of the first grant to executive directors following adoption of the Plan), the date shall be not earlier than the third anniversary of the Award Date;

**"Option"** means a right to acquire Shares, which may be exercised by the Participant following the vesting of the Award during any period permitted for exercise;

**"Option Price"** shall be nil, or such other amount as the Board may determine (provided that the Board may reduce or waive such amount at any time);

**"Participant"** means an Eligible Employee who has received an Award to the extent it has not been declined and has not lapsed (or, following his death, his Personal Representatives);

**"Performance Underpin"** means an assessment of any element of the underlying performance of the Group, including delivery against strategy and plans;

**"Personal Representatives"** means, following his death, the Participant's personal representatives, or a person fulfilling a similar function in any jurisdiction;

**"Plan"** means this easyJet Restricted Share Plan, as amended from time to time;

**"Rule"** means a rule of this Plan;

**"Share"** means a fully paid ordinary share in the capital of the Company;

**"Treasury Shares"** means Shares to which Sections 724 to 732 of the Companies Act 2006 apply;

**"Trust"** means any employee benefit trust from time to time established by the Company; and

**"vesting"** means:

(A) Shares subject to a Conditional Award becoming due to be transferred to the Participant; or

(B) an Option becoming exercisable,

(and "vest" shall be construed accordingly).

1.2 In this Plan unless the context requires otherwise:

1.2.1 the headings are inserted for convenience only and do not affect the interpretation of any Rule;

1.2.2 a reference to a statute or statutory provision includes a reference:

(A) to that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any statute or statutory provision;

(B) to any repealed statute or statutory provision which it re-enacts (with or without modification); and

(C) to any subordinate legislation made under it;

1.2.3 words in the singular include the plural, and vice versa;

1.2.4 a reference to one gender shall be treated as a reference to any gender;

1.2.5 a reference to a person shall include a reference to a body corporate; and

1.2.6 a reference to writing or written form shall include any legible format capable of being reproduced on paper, irrespective of the medium used.

1.3 In this Plan:

1.3.1 a reference to the "transfer of Shares" (or similar) shall include both the issue and allotment of Shares and the transfer of Treasury Shares; and

1.3.2 a provision obliging, or permitting, any company to do any thing shall be read as obliging, or permitting, such company to do that thing, or procure that thing to be done.

## 2. PLAN LIMITS

- 2.1 Pursuant to the Plan, subject to Rule 2.2, the Board may not grant a Conditional Award or Option if the number of Shares subject to such proposed Award (the "**Relevant Shares**") would cause the limit in Rule 2.3 to be breached.
- 2.2 Rule 2.1 shall not apply in respect of a Conditional Award or Option granted on terms that it shall not be capable of being satisfied by the issue of Shares.

**10 per cent limit: Employees' Share Scheme**

- 2.3 The number of Relevant Shares, when added to the aggregate of:
- 2.3.1 the number of Shares subject to outstanding options or awards granted within the previous 10 years under the Plan or any other Employees' Share Scheme adopted by the Company which may be satisfied by the issue of Shares; and
- 2.3.2 the number of Shares actually issued within the previous 10 years under the Plan, under any other Employees' Share Scheme or to a Trust (but excluding any of those Shares: that were used to satisfy an option or award granted more than 10 years previously, and without double counting any Shares which the Board has determined are to be used to satisfy options or awards counted under Rule 2.3.1 above),

may not exceed such number as represents 10 per cent of the Company's issued share capital immediately prior to such proposed grant or issue.

**Treasury Shares**

- 2.4 References in this Rule 2 to the issue of Shares shall include the transfer of Treasury Shares, but only until such time as the guidelines issued by institutional investor bodies cease to provide that they should be so included.

**3. AWARDS**

**Eligibility**

- 3.1 Awards may be granted to Eligible Employees selected by the Board.

**Timing of grants**

- 3.2 An Award may only be granted:
- 3.2.1 during the period of 42 days commencing on the Dealing Day immediately following the day on which the Company announces its results for the preceding financial year, half-year or other period;
- 3.2.2 in respect of an Award to be granted in respect of the recruitment or promotion of an Eligible Employee, as soon as reasonably practicable after the Eligible Employee commences holding office or employment with any Group Company or the promotion of such Eligible Employee takes effect (as relevant); and/or
- 3.2.3 at such time at which the Board determines that exceptional circumstances exist which justify the grant of the Award,

or, in any such case, if the grant of Awards during such period or at such time would be contrary to any Dealing Restriction, as soon as reasonably practicable after such restriction ceases to apply.

**Individual limit**

- 3.3 An Award may not be granted to an Eligible Employee where it would cause the aggregate of the Market Value of the Shares (calculated at the relevant Award Date(s)) under such Award and any Award(s) granted to the Eligible Employee in the same Financial Year (save in relation to the first year in which the Plan is operated) to exceed an amount equal to:

3.3.1 125% of the gross annual basic salary of that Eligible Employee; or

3.3.2 if the Board so determines, in circumstances which it determines to be exceptional, 150% of the gross annual basic salary of that Eligible Employee.

An Award granted in breach of this limit shall immediately lapse in respect of the number of Shares which cause this limit to be breached. Awards which have been declined or have lapsed, or which are granted in connection with the recruitment of an Eligible Employee in lieu of incentive awards granted by the individual's former employer which are forfeited (i.e., a "buy-out"), and any right to receive Shares as a dividend equivalent, shall be ignored for this purpose.

- 3.4 Where an Eligible Employee's gross annual basic salary is denominated in a currency other than pounds sterling, for the purposes of Rule 3.3 above such gross annual basic salary shall be converted into pounds sterling on such basis as the Board may reasonably determine.

#### **Method of grant**

- 3.5 An Award shall be granted by the Board.

- 3.6 A Conditional Award or an Option shall be granted by deed.

- 3.7 No payment for the grant of an Award shall be made by the Participant.

- 3.8 A Participant may within 30 days of the Award Date decline an Award (in full but not in part) by written notice to the Company. Where a Participant does not decline an Award within such period, the Participant shall be deemed to have accepted the Award on the terms set out in the Rules. Alternatively, it may be a term of the grant of an Award that the Participant shall be required to accept the terms of the Award within such period following grant as may be determined by the Board and, where the Board specifies such period, the Award shall lapse at the end of such period if the terms of the Award have not been accepted by the Participant.

#### **Award notification**

- 3.9 As soon as practicable following the Award Date the participant shall be notified of their Award, with such notification to be in such form and delivered by such means (including electronically) as the Board may determine. Such notification shall specify:

3.9.1 whether the Award takes the form of a Conditional Award or an Option;

3.9.2 the Award Date;

3.9.3 the Normal Vesting Date;

3.9.4 the number of Shares in respect of which the Award is granted;

3.9.5 in relation to an Option, the Option Price (if any);

3.9.6 details of the Performance Underpin (if any);

3.9.7 if applicable, that the dividend equivalent provisions of Rule 10 (*Dividend Equivalent*) shall apply; and

3.9.8 that the Award is subject to the claw-back provisions of Rule 14 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*).

#### **4. PERFORMANCE UNDERPIN**

- 4.1 An Award may be (but shall not have to be) granted subject to a Performance Underpin as determined by the Board.
- 4.2 The extent to which an Award that is subject to a Performance Underpin shall vest (if at all) shall be determined by the Board after considering the Performance Underpin. At the end of the period over which the Performance Underpin is assessed, the Award shall lapse to the extent that the Board does not determine that the Award shall vest.
- 4.3 Where an Award that is subject to a Performance Underpin vests (pursuant to Rule 7 (*Cessation of office or employment*) or 8 (*Corporate Actions*) prior to the Normal Vesting Date, the Performance Underpin shall be assessed by the Board using such information (not limited to published accounts) as the Board shall determine.

5. **AWARDS ARE NON-TRANSFERABLE**

- 5.1 A Participant may not transfer, assign, pledge, charge or otherwise dispose of, or grant any form of security or other interest over, any part of his interest in an Award. An Award shall (unless otherwise determined by the Board) lapse on the Participant doing so (whether voluntarily or involuntarily), being deprived of the beneficial ownership of an Award by operation of law, or becoming bankrupt.
- 5.2 Rule 5.1 does not restrict the transmission of an Award to the Participant's Personal Representatives following his death.

6. **VESTING**

**Normal vesting**

- 6.1 An Award shall vest on the Normal Vesting Date.

**Vesting subject to Dealing Restrictions**

- 6.2 A Conditional Award shall not vest unless, and vesting shall be delayed until, the Board is satisfied that at that time:

- 6.2.1 such vesting;
- 6.2.2 the transfer of Shares to, and dealing in Shares by, the Participant; and
- 6.2.3 any action needed to be taken by the Company to give effect to such vesting, is not contrary to any Dealing Restriction.

**Effect of vesting**

- 6.3 The effect of the vesting of an Award is that:

- 6.3.1 the Shares in respect of which a Conditional Award vests shall be transferred to the Participant as soon as is reasonably practicable (which may include transferring the Shares on more than one consecutive Dealing Day on such basis as the Board may determine); and
- 6.3.2 an Option shall, to the extent that it vests, become exercisable in accordance with Rule 9 (*Options*).

**Disciplinary proceedings**

- 6.4 Unless the Board determines otherwise, an Award shall not vest while a Participant is subject to a formal disciplinary process (or similar), or where a Participant has been served with notice that such a process may be instigated without such notice having been rescinded, and vesting shall (subject to the Award lapsing to any extent prior to or as a result of the

conclusion of such process pursuant to Rule 7 (*Cessation of office or employment*) or 14 (*Claw-back*)) be delayed until the conclusion of such process.

#### **Retention period**

- 6.5 Where the Board determines that this Rule 6.5 shall apply in relation to an Award, subject to Rule 6.6, a Participant shall not transfer, assign, pledge, charge or otherwise dispose of, or grant any form of security or other interest over, any of the Shares in respect of which an Award vests for a period of two years from the date on which the Award vests, provided however that the Remuneration Committee may reduce such period to the extent that the Normal Vesting Date of the Award falls later than the third anniversary of the Award Date.
- 6.6 Rule 6.5 shall not restrict a sale or transfer of Shares pursuant to Rule 12 and/or pursuant to a Corporate Action.
- 6.7 In order to give effect to the provisions of Rule 6.5, the Board may procure that a Participant's Shares shall be held on behalf of the Participant by a nominee to be appointed by the Company for such purpose.

### **7. CESSATION OF OFFICE OR EMPLOYMENT**

#### **Cessation where Awards lapse**

- 7.1 An Award shall lapse:
- 7.1.1 on the Participant ceasing to hold office or employment with any Group Company;  
or
- 7.1.2 if the Participant gives or receives notice of such cessation, on such earlier date as may be determined by the Board,
- save in each case where Rule 7.2 or Rule 7.5 applies.

#### **Reasons for cessation where Awards remain capable of vesting**

- 7.2 An Award shall not lapse pursuant to Rule 7.1 where the reason for the cessation or notice is:
- 7.2.1 injury (as evidenced to the satisfaction of the Board);
- 7.2.2 redundancy (within the meaning of the Employment Rights Act 1996);
- 7.2.3 retirement (as evidenced to the satisfaction of the Board);
- 7.2.4 the transfer of the Participant's employment in connection with the disposal of a business or undertaking, or a part- business or part- undertaking;
- 7.2.5 the company with which the Participant holds office or employment ceasing to be a Group Company; or
- 7.2.6 any other reason, if the Board so determines.

Where the Board exercises its discretion under Rule 7.2.6 the Board may impose additional conditions on the Award (including as to when the Award may vest).

#### **Timing of vesting in the event of cessation prior to the Normal Vesting Date**

- 7.3 Where prior to the Normal Vesting Date a Participant ceases to hold office or employment with any Group Company for any of the reasons specified in Rule 7.2:



- 7.3.1 an Award shall not vest at the date of such cessation, but shall continue to be capable of vesting (in which case an Option may be exercised during the period of twelve months from such date on which the Award may vest, and shall lapse at the expiry of such period); or
- 7.3.2 the Board may determine that the Award shall instead vest on or at any time following the date of cessation (in which case an Option may be exercised during the period of twelve months from such vesting date, and shall lapse at the expiry of such period).

#### **Exercise period in the event of cessation after the Normal Vesting Date**

- 7.4 Where on or after the Normal Vesting Date a Participant ceases to hold office or employment with any Group Company for any of the reasons specified in Rule 7.2, an Option shall lapse at the expiry of the period of twelve months from the date of cessation.

#### **Death**

- 7.5 An Award shall vest on the Participant's death. An Option may be exercised (by the Participant's Personal Representatives) during a period of twelve months from the date of the Participant's death and shall lapse at the expiry of such period. Where a Participant dies during an exercise period pursuant to either Rule 7.3 or 7.4 an Option shall not lapse as a result of such Rule until the expiry of the twelve month period in this Rule 7.5.

#### **Extent of vesting in the event of cessation or notice prior to the Normal Vesting Date**

- 7.6 Where prior to the Normal Vesting Date a Participant:
  - 7.6.1 ceases to hold office or employment with any Group Company; or
  - 7.6.2 gives or receives notice of such cessation,
 for any of the reasons specified in Rule 7.2 or as a result of his death, the proportion of the Award which may vest (under any Rule) shall be limited (unless the Board determines otherwise) to a pro rata proportion on the basis of the number of whole months which have elapsed from the Award Date to: (i) the date of cessation; or (ii) if earlier (unless the Board determines otherwise) the date of notice, as compared to the number of whole months between the Award Date and the Normal Vesting Date. Any remainder of the Award shall lapse.

#### **Cessation following a Corporate Action**

- 7.7 Where a Participant ceases to hold office or employment with any Group Company following a Corporate Action within the relevant exercise period referred to in Rule 8 (*Corporate Actions*), an Option shall not lapse pursuant to this Rule 7 until the expiry of the relevant exercise period in Rule 8 (*Corporate Actions*). This Rule 7.7 shall not apply where the cessation is by way of (or occurs where there are circumstances which the Board determines would have justified) summary dismissal or service of notice of termination of office or employment on the grounds of misconduct.

#### **Meaning of cessation of office or employment**

- 7.8 No provision of this Rule 7 shall apply in respect of any cessation of office or employment if immediately following the cessation the Participant holds an office or employment with any Group Company, or in respect of any notice of cessation if arrangements are in place that mean immediately following the notice becoming effective the Participant will hold an office or employment with any Group Company.

### **8. CORPORATE ACTIONS**

### **General offers**

#### **8.1 Awards shall vest:**

- 8.1.1 upon a person obtaining Control of the Company as a result of making a general offer to acquire Shares;
- 8.1.2 upon a person, having obtained Control of the Company, making a general offer to acquire Shares; or
- 8.1.3 if a person makes a general offer to acquire Shares that would result in that person obtaining Control of the Company and the Board so determines, on the date which the Board determines to be the last practicable date prior to the date on which it expects such person to obtain Control of the Company,

in each case being a general offer to acquire all of the Shares (other than Shares held by the person making the offer and any person connected to that person).

Options may be exercised during such period as the Board may specify, being no longer than six months from the date of any such event (but if not exercised, Options shall not lapse at the expiry of such period).

Any Corporate Action falling within Rule 8.3 shall not also constitute a general offer for the purposes of this Rule 8.1.

### **Compulsory acquisition**

#### **8.2 Awards shall vest upon a person becoming entitled to acquire Shares under Sections 979 to 982 of the Companies Act 2006.**

Options may be exercised during a period of one month from the date on which that person first becomes so entitled, and shall lapse at the expiry of such period.

### **Scheme of compromise or arrangement**

#### **8.3 Awards shall vest upon a Court sanctioning a compromise or arrangement which, on becoming effective, would result in:**

- 8.3.1 any person obtaining Control of the Company;
- 8.3.2 the undertaking, property and liabilities of the Company being transferred to another existing or new company; or
- 8.3.3 the undertaking, property and liabilities of the Company being divided among and transferred to two or more companies, whether existing or new.

Options may be exercised during such period as the Board may specify, being no longer than a period of six months from the date of the Court sanctioning such a compromise or arrangement (or, if earlier, to the day prior to the date on which a transfer as described in Rule 8.3.2 or Rule 8.3.3 is to become effective), and shall lapse at the expiry of such period.

### **Voluntary winding-up**

#### **8.4 Awards shall vest in the event of a notice being given of a resolution for the voluntary winding-up of the Company.**

Options may be exercised during a period of two months from the date of such a notice being given (or, if earlier, to the day prior to the date on which the winding-up is to become effective) and shall lapse at the expiry of such period.

### **Demerger or special dividend**

- 8.5 If the Board so determines, Awards may vest following the announcement of a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of Shares to a material extent on such date specified by the Board. Where the Board makes such determination, Options may be exercised during a period of two months (or such other period as the Board may determine) from the date specified by the Board and, unless the Board determines otherwise, shall lapse at the expiry of such period.

#### **Extent of vesting on a Corporate Action**

- 8.6 Where an Award vests (and, in the case of an Option, is exercised) pursuant to any of Rules 8.1 to 8.5, the proportion of the Award which may vest shall be limited (unless the Board determines otherwise) to a pro rata proportion on the basis of the number of whole months which have elapsed from the Award Date to the date of the Corporate Action, as compared to the number of whole months between the Award Date and the Normal Vesting Date. Any remainder of the Award shall lapse.

#### **Roll-over of Award on a Reorganisation or takeover**

- 8.7 Unless the Board determines otherwise, an Award shall not vest pursuant to this Rule 8 if, as a result of any Corporate Action, a company will obtain Control of the Company or will obtain substantially all of the assets of the Company (the "**Acquiring Company**"), and either:

8.7.1 the Acquiring Company will immediately following the Corporate Action have (either directly or indirectly) substantially the same shareholders and approximate shareholdings as those of the Company prior to the Corporate Action (a "**Reorganisation**"); or

8.7.2 the Board, with the agreement of the Acquiring Company, determines that the Award shall not vest as a result of such Corporate Action and so notified the Participant prior to the occurrence of the date on which the Award would otherwise vest.

In such case:

8.7.3 the existing Option or Conditional Award (the "**Old Award**") shall lapse on the occurrence of the relevant Corporate Action, and the New Parent Company shall grant a replacement right to receive shares (the "**New Award**") over such number of shares in the New Parent Company which are of equivalent value to the number of Shares in respect of which the Old Award was outstanding. The New Award shall be granted on the terms of the Plan, but as if the New Award had been granted at the same time as the Old Award.

For the purposes of this Rule 8.7:

8.7.4 the "**New Parent Company**" shall be the Acquiring Company, or, if different the company that is the ultimate parent company of the Acquiring Company within the meaning of section 1159 of the Companies Act 2006; and

8.7.5 the terms of the Plan shall following the date of the relevant Corporate Action be construed as if:

- (A) the reference to "easyJet plc" in the definition of "Company" in Rule 1 (*Interpretation and construction*) were a reference to the company which is the New Parent Company, and
- (B) save where the New Parent Company is listed, Rule 17.2 (*Amendments*) were omitted.

#### **Compulsory winding-up**

- 8.8 An Award shall lapse on the passing of an effective resolution, or the making of a Court order, for the compulsory winding-up of the Company.

**Concert parties**

- 8.9 For the purposes of this Rule 8, a person shall be deemed to have Control of the Company where he and any others acting in concert with him together have Control of the Company.

**9. OPTIONS**

- 9.1 An Option may be exercised, in full (unless the Board permits the Participant to exercise in part), by the delivery to the Company (or such other person nominated by the Company) of a valid notice of exercise in such form as the Board may prescribe together with payment of the Option Price (if any). If exercised in part the Option shall continue to subsist in relation to the remainder of the Option not so exercised.
- 9.2 An Option shall lapse on the tenth anniversary of the Award Date (or such earlier date as the Board may determine prior to the Award Date).
- 9.3 Any Shares in respect of which the Option is exercised shall be transferred to the Participant as soon as reasonably practicable (which may include transferring the Shares on more than one consecutive Dealing Days on such basis as the Board may determine).
- 9.4 An Option may not be exercised unless the Board is satisfied that at such time:
- 9.4.1 such exercise,
  - 9.4.2 the transfer of Shares to, and dealing in Shares by, the Participant; and
  - 9.4.3 any action needed to be taken by the Company to give effect to such exercise,
- is not contrary to any Dealing Restriction. Where the exercise, transfer or dealing in Shares is contrary to any Dealing Restriction on the last Dealing Day in any of the periods referred to in Rules 7.3, 7.4 or 7.5 (*Rule 7 being in relation to Cessation of office or employment*) or Rules 8.1 to 8.3 or 8.5 (*Rule 8 being in relation to Corporate Actions*), such period shall be extended to the end of the first Dealing Day thereafter on which the Board is satisfied that the exercise, transfer and dealing in Shares is not contrary to any Dealing Restriction.
- 9.5 An Option shall lapse on the earliest date provided under any Rule (save only as expressly provided in Rules 7.5 (*Death*) and 7.7 (*Cessation following a Corporate Action*)).

**10. DIVIDEND EQUIVALENT**

- 10.1 The Board may determine, at any time prior to the date on which an Award vests, that the number of Shares comprised in the Award shall be treated as having increased, on each dividend record date falling within the period from the Award Date to the date the Award vests, by such number of Shares as could have been acquired, with the amount of any dividends that the Participant would have received on a net basis in respect of the Shares then comprised in the Award, at Market Value on the relevant dividend record date.

**11. CASH ALTERNATIVE**

- 11.1 This Rule 11 shall not apply in respect of any Award granted to a Participant resident in any jurisdiction where the grant of an Award which provides for a cash alternative would be unlawful, fall outside any applicable exemption under securities, exchange control or similar regulations, or would cause adverse tax or social security (or similar) contribution consequences for the Company or the Participant or where the Board determines prior to the Award Date that this Rule 11 shall not apply.
- 11.2 The Board may determine prior to the Award Date that an Award shall only be satisfied in cash, in which case the Award shall not be a right to acquire Shares, and the vesting of the Conditional Award or exercise of the Option shall be satisfied in full by the payment of a cash equivalent amount, in substitution for the transfer of Shares.

- 11.3 Where the Board has made no determination pursuant to Rule 11.1 or 11.2 in respect of an Award, the Board may determine at any time prior to the transfer of Shares pursuant to such Award that the vesting of the Conditional Award or the exercise of the Option (or a part thereof) shall be satisfied by the payment of a cash equivalent amount, in substitution for the transfer of Shares.
- 11.4 A "**cash equivalent amount**" shall be calculated as the number of Shares which would otherwise be transferred in respect of the relevant vesting or exercise but which are being substituted for the cash equivalent amount, multiplied by the Market Value of a Share on the vesting date (or, in the case of an Option, the Market Value of a Share on the date of exercise less the Option Price (if any)).
- 11.5 A cash equivalent amount shall be paid as soon as reasonably practicable following the relevant vesting or exercise.
- 11.6 A cash equivalent amount may be paid in a currency other than pounds sterling, in which case the cash equivalent amount shall be converted into such other currency on such basis as the Board may reasonably determine.

## 12. **TAX LIABILITY**

- 12.1 When any Tax Liability arises in respect of an Award, the Participant authorises any Group Company:

- 12.1.1 to retain and sell legal title to such number of the Shares which would otherwise have been transferred to the Participant on vesting or exercise of the Award, or any part thereof, (notwithstanding that beneficial title shall pass) as may be sold for aggregate proceeds equal to the Group Company's estimate of the amount of the Tax Liability;
- 12.1.2 to deduct an amount equal to the Group Company's estimate of the Tax Liability from any cash payment made under the Plan; and/or
- 12.1.3 where the amount realised under Rule 12.1.1 or deducted under Rule 12.1.2 is insufficient to cover the full amount of the Tax Liability, to deduct any further amount as is necessary through payroll,

and in each case to apply such amount in paying the amount of the Tax Liability to the relevant revenue authority or in reimbursing the relevant Group Company for any such payment, provided that, where the amount realised under Rule 12.1.1 or deducted under Rule 12.1.2 is greater than the actual Tax Liability, the Group Company shall repay the excess to the Participant as soon as reasonably practicable.

The Group Company shall be entitled to make the estimates referred to in this Rule 12.1 on the basis of the highest rates of tax and/or social security applicable at the relevant time in the jurisdiction in which the Group Company is liable to account for the Tax Liability, notwithstanding that the Tax Liability may not arise at such rates.

- 12.2 "**Tax Liability**" shall mean any amount of tax and/or social security (or similar) contributions which any Group Company becomes liable to pay on behalf of the Participant to the revenue authorities in any jurisdiction, together with all or such proportion (if any) of employer's social security contributions which would otherwise be payable by any Group Company as is determined to be recoverable from the Participant (to the extent permitted by law) by the Board, or which are subject to recovery pursuant to an election to which paragraph 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992 applies.
- 12.3 The Board may require, as a term of vesting (or exercise), that the Participant enters into with the Company (or any Group Company) a joint election pursuant to Section 431 of the Income Tax (Earnings and Pensions) Act 2003, or the equivalent in any jurisdiction, in respect of the Shares to be acquired pursuant to the Award.

## 13. **VESTED SHARE ACCOUNTS**

- 13.1 Legal title to any Shares which are due to be transferred to the Participant pursuant to the Plan may, if the Board so determines, be transferred to a person (the "**Vested Share Account Provider**") appointed by the Company from time to time to hold legal title to such Shares on behalf of the Participant.
- 13.2 The Vested Share Account Provider shall receive and hold Shares on behalf of the Participant in accordance with such terms and conditions as are agreed by the Company from time to time, and by participating in the Plan the Participant irrevocably agrees to those terms and conditions (which shall be available to the Participant on request to the Company).
- 13.3 The transfer of any Shares to the Vested Share Account Provider shall satisfy any obligation of the Company under the Plan to transfer Shares to the Participant (and references in the Plan to Shares (or legal title thereof) having been transferred to the Participant shall be read accordingly).
- 13.4 The terms and conditions referred to in Rule 13.2 above may include terms that the Participant shall not be entitled to transfer, assign, pledge, charge or otherwise dispose of, or grant any form of security or other interest over, some or all of the Shares if to do so would be in breach of the Participant's obligations under the Company's shareholding requirements as they apply to such Participant.

#### 14. **CLAW-BACK**

##### **Claw-back events**

- 14.1 The Board may at any time prior to legal title to Shares being transferred pursuant to an Award determine that a Claw-back shall apply in respect of the Award if the Board determines that:
- 14.1.1 the financial accounts of the Company used in assessing the number of Shares over which the Award was granted were misstated, or that any other information relied on in making such assessment proves to have been incorrect; or
- 14.1.2 an erroneous calculation was made in assessing such number of Shares, and, in either case, the Award was granted in respect of a greater number of Shares than would have been the case had there not been such a misstatement or reliance on incorrect information or had such error not been made.
- 14.2 The Board may at any time within three years of the date on which an Award vests determine that a Claw-back shall apply in respect of the Award if the Board determines that:
- 14.2.1 the financial accounts of the Company for any of the Financial Years taken into account in assessing a Performance Underpin were misstated (excluding, for the avoidance of doubt, any change to financial accounts resulting from a change in accounting standards or similar), or that any other information relied on in making such assessment proves to have been incorrect; or
- 14.2.2 an erroneous calculation was made in assessing the extent to which the Award is to be capable of vesting, or vested, and, in either case, the Award is capable of vesting, or vested in respect of a greater number of Shares than would have been the case had there not been such a misstatement or reliance on incorrect information or had such error not been made.
- 14.3 The Board may at any time determine that a Claw-back shall apply to an Award where the Board determines that the Participant has, through any act or omission, contributed to the occurrence of a safety incident which has damaged the reputation of the Company to a material extent. Any such Claw-back may apply to:
- 14.3.1 any Award which is (or was) unvested at the date of the relevant safety incident;

- 14.3.2 any Award which vested within the two year period prior to the relevant safety incident; and
- 14.3.3 any Award which was granted between the date of the relevant safety incident and the conclusion of any investigation into such incident, the outcome of which gives rise to the Board's determination as to the Participant's contribution to such safety incident,
- 14.4 The Board may at any time (whether before or after vesting) determine that a Claw-back shall apply in respect of an Award where:
  - 14.4.1 the Participant is found to have committed at any time prior to the vesting of the Award, including prior to grant, an act or omission which in the opinion of the Board (i) justifies or would have justified, summary dismissal or service of notice of termination of office or employment on the grounds of misconduct or (ii) constitutes fraudulent activity;
  - 14.4.2 an act, omission or event occurs at any time prior to the vesting of the Award which in the opinion of the Board constitutes a material failure of risk management or of other operational systems and controls whether or not the Participant was responsible or accountable therefore;
  - 14.4.3 the Participant is found to have contributed to circumstances which give rise to a sufficiently negative impact on the reputation of the Company or of any Group Company (or would have if such circumstances had been made public), and for the avoidance of doubt, such circumstances need not relate to a financial year in which the relevant individual was a Participant in the Plan;
  - 14.4.4 the Group enters an involuntary administration or insolvency process or the Board determines that there has been a 'corporate failure' in respect of the Group (which for these purposes shall include a significant reduction in or cessation of the Group's ability to continue normal operations); or
  - 14.4.5 the Board determines that an act, omission or event has occurred which is of a sufficiently similar level of materiality to the circumstances referred to in this Rule 14.4, justifying the application of Claw-back.

#### **Applying Claw-back**

- 14.5 A Claw-back shall be applied in accordance with the provisions of Appendix 1 (*Operation of Claw-back*).

#### **Lapse of Awards to give effect to claw-back of other awards**

- 14.6 By participating in the Plan, the Participant acknowledges that the Board may lapse any Award to such extent as it determines to be necessary (including in full) in order to give effect to a claw-back under the terms of the Plan or any other Employees' Share Scheme or bonus scheme operated from time to time by any Group Company.

#### **No Claw-back following Corporate Action**

- 14.7 No Claw-back shall apply following the occurrence of any Corporate Action unless Awards are exchanged for new awards under Rule 8.7.

### **15. VARIATION OF CAPITAL**

- 15.1 In the event of any variation of the share capital of the Company, or in the event of the demerger of a substantial part of the Group's business, a special dividend or similar event affecting the value of Shares to a material extent (which shall not include the payment of any

ordinary dividend) the Board may make such adjustments to Awards as it may determine to be appropriate.

- 15.2 For the avoidance of doubt Rule 15.1 shall not apply in respect of any Awards pursuant to which legal title to Shares has been transferred prior to the date of the relevant event (such that the recipient of such legal title shall participate in such event as a holder of Shares) including pursuant to the vesting of an Award under Rule 8.5 (*Demerger or special dividend*).

## 16. **ADMINISTRATION**

- 16.1 Any notice or other communication under or in connection with this Plan may be given by the Company to a Participant personally, by email or by post, or by a Participant to the Company or any Group Company either personally or by post to the Secretary of the Company. Items sent by post shall be pre-paid and shall be deemed to have been received 48 hours after posting. Items sent by email shall be deemed to have been received immediately.

- 16.2 A Participant shall not be entitled to:

16.2.1 receive copies of accounts or notices sent to holders of Shares;

16.2.2 exercise voting rights; or

16.2.3 receive dividends,

in respect of Shares subject to an Award legal title to which has not been transferred to the Participant.

- 16.3 Any discretion (including the power to make any determination) of the Board under or in connection with the Plan may be exercised by the Board in its absolute discretion.

- 16.4 Any exercise of discretion (including the making of any determination) by the Board under or in connection with the Plan shall be final and binding.

- 16.5 Any disputes regarding the interpretation of the Rules or the terms of any Award shall be determined by the Board (upon such advice as the Board determines to be necessary) and any decision in relation thereto shall be final and binding.

## 17. **AMENDMENTS**

- 17.1 Subject to Rules 17.2 and 17.4, the Board may at any time add to or alter the Plan or any Award made thereunder, in any respect.

- 17.2 Subject to Rule 17.3, no addition or alteration to the advantage of present or future Participants relating to eligibility, the limits on participation, the overall limits on the issue of Shares or the transfer of Treasury Shares, the basis for determining a Participant's entitlement to, or the terms of, Shares or cash provided pursuant to the Plan and the provisions for adjustments on a variation of share capital shall be made without the prior approval by ordinary resolution of the shareholders of the Company in general meeting.

- 17.3 Rule 17.2 shall not apply to any alteration or addition which is necessary or desirable in order to comply with or take account of the provisions of any proposed or existing legislation, law or other regulatory requirements or to take advantage of any changes in legislation, law or other regulatory requirements, or to obtain or maintain favourable taxation, exchange control or regulatory treatment of any Group Company or any Participant or to make minor amendments to benefit the administration of the Plan.

- 17.4 No alteration or addition shall be made under Rule 17.1 which would abrogate or adversely affect the subsisting rights of a Participant unless it is made:

17.4.1 with the consent in writing of the Participant;

17.4.2 with the consent in writing of such number of Participants as hold Awards under the Plan in relation to 75 per cent. of the Shares subject to all Awards under the Plan; or



17.4.3 by a resolution at a meeting of Participants passed by not less than 75 per cent. of the Participants who attend and vote either in person or by proxy,

and for the purpose of this Rule 17.4 the Participants shall be treated as the holders of a separate class of share capital and the provisions of the Articles of Association of the Company relating to class meetings shall apply mutatis mutandis.

17.5 The Board may, in respect of Eligible Employees who are or who may become subject to taxation outside the United Kingdom on their remuneration, establish such plans or sub-plans based on the Plan but subject to such modifications as the Board determines to be necessary or desirable to take account of or to mitigate or to comply with relevant overseas taxation, securities or exchange control laws, provided that the terms of awards made under such plans or sub-plans are not overall more favourable than the terms of Awards made under the Plan and provided that awards made, and shares issued, pursuant to such plans or sub-plans shall count towards the limits set out in Rules 2 (*Plan limits*) and 3.3 (*Individual limit*).

## 18. DATA PROTECTION

18.1 From time to time the personal data of the Participant will be collected, used, stored, transferred and otherwise processed for the purposes described in Rule 18.2 and 18.3. The legal grounds for this processing will (depending on the nature and purpose of any specific instance of processing) be one of: (i) such processing being necessary for the purposes of the legitimate interests of the Company and each other Group Company in incentivising their officers and employees and operating the Plan; (ii) such processing being necessary for the purposes of any relevant data controller in respect of such personal data complying with its legal obligations; and (iii) such processing being necessary for the performance of the contractual obligations arising under the Plan. The collection and processing of such personal data for such purposes is a contractual requirement of participation in the Plan.

18.2 The purposes for which personal data shall be processed as referred to in this Rule 19 shall be in order to allow the Company and any other relevant Group Companies to incentivise their officers and employees and to operate the Plan and to fulfil its or their obligations to the Participant under the Plan, and for other purposes relating to or which may become related to the Participant's office or employment, the operation of the Plan or the business of the Group or to comply with legal obligations. Such processing will principally be for, but will not be limited to, personnel, administrative, financial, regulatory or payroll purposes as well as for the purposes of introducing and administering the Plan.

18.3 The personal data to be processed as referred to in this Rule 18 may be disclosed or transferred to, and/or processed by:

18.3.1 any professional advisors of any Group Company, HM Revenue & Customs or any other revenue, regulatory or governmental authorities;

18.3.2 a trustee of a Trust; any registrars, brokers, payroll provider or other third party administrator appointed in connection with any employee share or incentive plans operated by any Group Company; or any person appointed (whether by the Participant or any Group Company) to act as nominee on behalf of (or provide a similar service to) the Participant;

18.3.3 subject to appropriate confidentiality undertakings), any prospective purchasers of, and/or any person who obtains control of or acquires, the Company or the whole or part of the business of the Group; or

18.3.4 any Group Company and officers, employees or agents of such Group Company.

18.4 Further information in relation to the processing of personal data referred to in this Rule 18, including the details and identity of the data controller and of the Participant's rights in respect of such personal data, is available in the Privacy Policy (or otherwise on request to the Company Secretary).

- 18.5 To the extent that the processing of personal data of a Participant referred to in this Rule 18 is subject to the laws or regulations of any jurisdiction that is not the United Kingdom or any EU member state and under which the legal grounds for processing described in Rule 18.1 do not provide a sufficient legal basis under such other laws or regulations for the processing referred to in Rule 18.1 to 18.3, by participating in the Scheme such Participant consents to such processing for the purposes of such other laws or regulations (but shall not be deemed to consent to such processing for the purposes of the UK Data Protection Act 2018 or EU Regulation 2016/679).
- 18.6 In this Rule 18, "personal data" and "data controller" each have the meaning given in the UK Data Protection Act 2018 and/or EU Regulation 2016/679 as applicable and the "Privacy Policy" means the easyJet Colleague Privacy Policy in place from time to time.
19. **GENERAL**
- 19.1 The Plan shall terminate on the 10th anniversary of the approval of the Plan by the shareholders of the Company in general meeting, or at any earlier time by resolution of the Board or an ordinary resolution of the shareholders in general meeting. Such termination shall be without prejudice to the subsisting rights of Participants.
- 19.2 Save as otherwise provided under the Plan:
- 19.2.1 Shares issued and allotted pursuant to the Plan will rank *pari passu* in all respects with the Shares then in issue at the date of such allotment, except that they will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment; and
- 19.2.2 Shares to be transferred pursuant to the Plan will be transferred free of all liens, charges and encumbrances and together with all rights attaching thereto, except they will not rank for any rights attaching to Shares by reference to a record date preceding the date of transfer.
- 19.3 If and so long as the Shares are admitted to listing and/or for trading on any stock exchange or market, the Company shall apply for any Shares issued and allotted pursuant to the Plan to be so admitted as soon as practicable.
- 19.4 Any transfer of Shares under the Plan is subject to such consent, if any, of any authorities in any jurisdiction as may be required, and the Participant shall be responsible for complying with the requirements to obtain or obviate the necessity for such consents.
- 19.5 The terms of any individual's office or employment with any past or present Group Company, and the rights and obligations of the individual thereunder, shall not be affected by his participation in the Plan and the Plan shall not form part of any contract of employment between the individual and any such company.
- 19.6 An Eligible Employee shall have no right to receive an Award under the Plan.
- 19.7 By participating in the Plan, the Participant waives all and any rights to compensation or damages in consequence of the termination of his office or employment with any past or present Group Company for any reason whatsoever, whether lawfully or otherwise, insofar as those rights arise or may arise from his ceasing to have rights under the Plan (including ceasing to be entitled to exercise any Option) as a result of such termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan, any determination by the Board pursuant to a discretion contained in the Plan or the provisions of any statute or law relating to taxation.
- 19.8 Benefits under the Plan shall not form part of a Participant's remuneration for any purpose and shall not be pensionable.
- 19.9 The invalidity or non-enforceability of any provision or Rule of the Plan shall not affect the validity or enforceability of the remaining provisions and Rules of the Plan which shall continue in full force and effect.
- 19.10 These Rules shall be governed by and construed in accordance with English Law.

- 19.11 The English courts shall have exclusive jurisdiction to determine any dispute which may arise out of, or in connection with, the Plan.

## APPENDIX 1: OPERATION OF CLAW-BACK

### Claw-back prior to the transfer of Shares in respect of an Award (or "malus")

1. Where the Board determines (pursuant to Rule 14 (*Claw-back*)) that a Claw-back shall apply in respect of an Award prior to legal title to Shares having been transferred pursuant to the Award (whether before or after vesting), the Claw-back shall be applied by the Board reducing the number of Shares in respect of which the Award may vest or, in the case of an Option, be exercised (or after vesting by reducing the number of Shares legal title to which may be transferred pursuant to the Award) by up to the number of Shares determined by the Board to be the excess number of Shares in respect of which the Award was granted and/or is outstanding and the Award shall lapse to the extent so reduced.

### Claw-back following the transfer of Shares in respect of an Award

2. Where the Board determines (pursuant to Rule 14 (*Claw-back*)) that a Claw-back shall apply in respect of an Award following legal title to Shares having been transferred pursuant to the Award (a "**Post-Transfer Claw-back**"), the Board shall determine:
  - a. the excess number of Shares in respect of which the Award vested (the "**Excess Shares**"); and
  - b. the aggregate Market Value of such Excess Shares on the date on which the Award vested or, in the case of an Option, the date the Option was exercised (the "**Equivalent Value**").
3. In the case of a Post-Transfer Claw-back, any cash payment made or additional Shares transferred as a consequence of the application of Rule 10 (*Dividend Equivalent*) in respect of such Award shall be subject to the Claw-back to the extent that the Board determines that such cash payment or Shares relate to the Excess Shares.
4. A Post-Transfer Claw-back may be effected in such manner as may be determined by the Board, and notified to the Participant, including by any one or more of the following:
  - a. by reducing the number of Shares and/or amount of cash in respect of which an Outstanding Award vests or may vest (or has vested, but in respect of which no Shares have yet been transferred or cash payment made), whether before or after the assessment of performance conditions in respect of such Outstanding Award, by the number of Excess Shares and/or the Equivalent Value (and such Outstanding Award shall lapse to the extent so reduced);
  - b. by setting-off against any amounts payable by any Group Company to the Participant an amount up to the Equivalent Value (including from any bonus payment which may otherwise become payable to the Participant); and/or
  - c. by requiring the Participant to immediately transfer to the Company a number of Shares equal to the Excess Shares or a cash amount equal to the Equivalent Value (which shall be an immediately payable debt due to the Company), provided that the Board may reduce the number of Excess Shares or the amount of the Equivalent Value subject to the Claw-back in order to take account of any Tax Liability (as defined in Rule 12 (*Tax Liability*)) which arose on the Excess Shares (howsoever delivered to the Participant).
5. In paragraph 4 above:

**"Outstanding Award"** means any other Award under the Plan, any award or option under any other Employees' Share Scheme operated from time to time by any Group Company (other than any award or options granted under any arrangement which satisfies the provisions of Schedules 2 or 3, or (unless the terms of such arrangement state that shares acquired thereunder are subject to claw-back) 4 or 5, of the Income Tax (Earnings and Pensions) Act 2003), or any bonus award under any bonus scheme operated from time to time by any Group Company, in each case which is either held by the Participant at the time of a determination that a Claw-back shall be applied or which are granted to the Participant following such a determination; and

**"vests"** shall include shares or cash subject to an award becoming due to be transferred or paid, and in the case of an option, the option becoming exercisable.